



DEPARTMENT OF COMMERCE

International Trade Administration

[C-580-882]

Certain Cold-Rolled Steel Flat Products from the Republic of Korea: Final Results of Countervailing Duty Administrative Review; 2019

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) determines that certain producers/exporters of certain cold-rolled steel flat products (cold-rolled steel) from the Republic of Korea (Korea) received countervailable subsidies during the review period, while other producers/exporters (*i.e.*, Hyundai Steel Co., Ltd., also referred to as Hyundai Steel Company (Hyundai Steel), and POSCO) received *de minimis* net countervailable subsidies during the review period. The period of review (POR) is January 1, 2019, through December 31, 2019.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Natasia Harrison, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1240.

SUPPLEMENTARY INFORMATION:

Background

Commerce published the *Preliminary Results* of this review on October 6, 2021.¹ On October 21, 2021, Commerce issued its post-preliminary analysis.² Subsequently, on January 18, 2022, Commerce extended the deadline for the final results of this review to no later than

¹ See *Certain Cold-Rolled Steel Flat Products from the Republic of Korea: Preliminary Results of Countervailing Duty Administrative Review, 2019*, 86 FR 55572 (October 6, 2021) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum.

² See Memorandum, “Countervailing Duty Administrative Review of Certain Cold-Rolled Steel Flat Products from the Republic of Korea; 2019: Post-Preliminary Analysis Memorandum,” dated October 21, 2021.

April 1, 2022.³ For a complete description of the events that followed the *Preliminary Results*, see the Issues and Decision Memorandum.⁴

Scope of the Order⁵

The merchandise covered by the *Order* is certain cold-rolled steel. For a complete description of the scope of the *Order*, see the Issues and Decision Memorandum.

Analysis of Comments Received

All issues raised in interested parties' case briefs are addressed in the Issues and Decision Memorandum accompanying this notice. A list of the issues raised by parties, and to which Commerce responded in the Issues and Decision Memorandum, is provided in Appendix I to this notice. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Changes Since the *Preliminary Results*

Based on a review of the record and comments received from interested parties, we made certain changes to the subsidy rate calculations for POSCO, the calculation of the non-selected rate, and the draft customs instructions. For a discussion of these changes, see the Issues and Decision Memorandum.

³ See Memorandum, "Certain Cold-Rolled Steel Flat Products from the Republic of Korea: Countervailing Duty Administrative Review; 2019: Extension of Deadline for Final Results," dated January 18, 2022.

⁴ See Memorandum, "Issues and Decision Memorandum for the Final Results of the 2019 Administrative Review of the Countervailing Duty Order on Certain Cold-Rolled Steel Flat Products from the Republic of Korea," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

⁵ See *Certain Cold-Rolled Steel Flat Products from Brazil, India, and the Republic of Korea: Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order (the Republic of Korea) and Countervailing Duty Orders (Brazil and India)*, 81 FR 64436 (September 20, 2016) (*Order*).

Methodology

Commerce conducted this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we find that there is a subsidy, *i.e.*, a government-provided financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific.⁶ For a description of the methodology underlying all of Commerce's conclusions, *see* the Issues and Decision Memorandum.

Companies Not Selected for Individual Review

The statute and Commerce's regulations do not directly address the establishment of rates to be applied to companies not selected for individual examination where Commerce limits in examination in an administrative review pursuant to section 777(A)(e)(2) of the Act. However, Commerce normally determines the rates for non-selected companies in reviews in a manner that is consistent with section 705(c)(5) of the Act, which provides instructions for calculating the all-others rate in an investigation. We also note that section 777A(e)(2) of the Act provides that "the individual countervailable subsidy rates determined under subparagraph (A) shall be used to determine the all-others rate under section 705(c)(5) {of the Act}." Section 705(c)(5)(A)(i) of the Act states that, in general, for companies not investigated, we will determine an all-others rate by using the weighted-average countervailable subsidy rates established for exporters and producers individually investigated, excluding zero and *de minimis* rates or any rates based solely on the facts available. Additionally, section 705(c)(5)(A)(ii) of the Act provides that when the countervailable subsidy rates established for all exporters and producers individually investigated are zero or *de minimis* rates, or based solely on facts available, Commerce may use any reasonable method to establish a rate for the companies not individually investigated, including averaging the weighted-average countervailable subsidy rates determined for the exporters and producers individually investigated.

⁶ See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

In the final results of this review, we calculated *de minimis* net countervailable subsidy rates for both Hyundai Steel and POSCO, the mandatory respondents. As a result, for the reasons discussed in the Issues and Decision Memorandum, we have determined that it is appropriate to assign to the companies subject to the review, but not selected for individual examination, the weighted-average of the most recently calculated countervailable subsidy rates that are not zero or *de minimis* rates, or based solely on facts available from the prior review (*i.e.*, *CRS Third Admin Review Final Results*).⁷ While Dongbu Steel Co., Ltd. and Dongbu Incheon Steel Co., Ltd. are non-selected respondents, because each received a calculated rate in the prior review (*i.e.*, *CRS Third Admin Review Final Results*), Commerce has found it appropriate to apply that calculated rate to Dongbu Steel Co., Ltd. and Dongbu Incheon Steel Co., Ltd. in this review. For a list of the 45 companies for which a review was requested and not rescinded, and which were not selected as mandatory respondents or found to be cross-owned with a mandatory respondent, *see* Appendix II to this notice.

⁷ *See Certain Cold-Rolled Steel Flat Products from the Republic of Korea: Final Results of Countervailing Duty Administrative Review*; 2018, 86 FR 40465 (July 28, 2021) (*CRS Third Admin Review Final Results*).

Final Results of Administrative Review

We determine that, for the period January 1, 2019, through December 31, 2019, the following total estimated net countervailable subsidy rates exist:

Producer/Exporter	Subsidy Rate <i>Ad valorem</i>
Hyundai Steel Co., Ltd.	0.46 percent (<i>de minimis</i>)
POSCO ⁸	0.22 percent (<i>de minimis</i>)
Non-Selected Companies Under Review ⁹	1.93 percent
Dongbu Steel Co., Ltd./Dongbu Incheon Steel Co., Ltd. ¹⁰	9.18 percent

Assessment Rate

Pursuant to 19 CFR 351.212(b)(2), Commerce will determine, and U.S. Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries of subject merchandise in accordance with the final results of this review, for the above-listed companies at the applicable *ad valorem* assessment rates listed. Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication). Because we have calculated *de minimis* countervailable subsidy rates for certain

⁸ As discussed in the Preliminary Decision Memorandum, Commerce has found the following companies to be cross-owned with POSCO: Pohang Scrap Recycling Distribution Center Co. Ltd.; POSCO Chemical Co., Ltd.; POSCO M-Tech; POSCO Nippon Steel RHF Joint Venture Co., Ltd.; and POSCO Terminal. The subsidy rate applies to all cross-owned companies. We note that POSCO has an affiliated trading company through which it exported certain subject merchandise, POSCO International Corporation (POSCO International). POSCO International was not selected as a mandatory respondent, but was examined in the context of POSCO. Therefore, there is not an established rate for POSCO International and POSCO International's subsidies are accounted for in terms of POSCO's total subsidy rate. Instead, entries of subject merchandise exported by POSCO International will receive the rate of the producer listed on the entry form with CBP. Thus, the subsidy rate applied to POSCO and POSCO's cross-owned affiliated companies is also applied to POSCO International for entries of merchandise produced by POSCO.

⁹ See Appendix II.

¹⁰ As described above, while Dongbu Steel Co., Ltd. and Dongbu Incheon Steel Co., Ltd. are non-selected respondents, because each received a calculated rate in the prior review (*i.e.*, *CRS Third Admin Review Final Results*), Commerce has found it appropriate to apply that calculated rate to Dongbu Steel Co., Ltd. and Dongbu Incheon Steel Co., Ltd. in this review.

companies under review, we will instruct CBP to liquidate shipments of subject merchandise produced and/or exported by the companies listed above, entered, or withdrawn from warehouse for consumption, from January 1, 2019, through December 31, 2019, without regard to countervailing duties in accordance with 19 CFR 351.212(b)(2) and 19 CFR 351.106(c).

Cash Deposit Rates

In accordance with section 751(a)(2)(C) of the Act, Commerce intends to instruct CBP to continue to suspend liquidation but not to collect cash deposits of estimated countervailing duties on shipments of subject merchandise by the companies under review entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review. For all non-reviewed firms subject to the *Order*, we will instruct CBP to continue to collect cash deposits of estimated countervailing duties at the most recent company-specific rate or the all-others rate (3.89 percent), as appropriate.¹¹ These cash deposit requirements, effective upon publication of these final results, shall remain in effect until further notice.

Administrative Protective Order

This notice also serves as a final reminder to parties subject to administrative protective order (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a sanctionable violation.

Disclosure

Commerce intends to disclose the calculations performed for these final results of review within five days of the date of publication of this notice in the *Federal Register*, in accordance with 19 CFR 351.224(b).

¹¹ See *Order*, 81 FR at 64438.

Notification to Interested Parties

These final results are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.221(b)(5).

Dated: April 1, 2022.

Ryan Majerus,
Deputy Assistant Secretary for Policy and Negotiations.

Appendix I

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Changes Since the *Preliminary Results*
- IV. Scope of the *Order*
- V. Period of Review
- VI. Subsidies Valuation Information
- VII. Analysis of Programs
- VIII. Discussion of the Issues
 - Comment 1: Whether Electricity is Subsidized by the Government of Korea (GOK)
 - Comment 2: Whether Commerce's Determination that Port Usage Rights Provide a Countervailable Benefit is Unsupported by Evidence and Contrary to Law
 - Comment 3: Whether Commerce Miscalculated the Benefit Conferred by the Industrial Technology Innovation Promotion Act (ITIPA) Program
 - Comment 4: Whether Commerce Should Continue to Include Benefits from Certain Industrial Technology Innovation Promotion Act Projects
 - Comment 5: Whether Commerce Should Exclude Quota Tariff Import Duty Exemptions Received on Certain Items Used to Produce Non-Subject Merchandise
 - Comment 6: Whether Commerce Should Modify the Trading Company Methodology for POSCO International Corporation (POSCO International)
 - Comment 7: Whether Commerce Made Certain Errors in the Draft Customs Instructions for POSCO International
 - Comment 8: Whether Commerce Made Certain Errors in the Draft Customs Instructions Related to Dongbu Steel Co., Ltd. (Dongbu Steel), Dongbu Incheon Steel Co., Ltd. (Dongbu Incheon), and KG Dongbu Steel Co., Ltd. (KG Dongbu Steel)
 - Comment 9: Whether Commerce Should Modify Its Selection of the Rate for Non-Selected Companies
- IX. Recommendation

Appendix II

List of Non-Selected Companies

1. AJU Steel Co., Ltd.
2. Amerisource Korea
3. Atlas Shipping Cp. Ltd.
4. BC Trade
5. Busung Steel Co., Ltd.
6. Cenit Co., Ltd.
7. Daewoo Logistics Corp.
8. Dai Yang Metal Co., Ltd.
9. DK GNS Co., Ltd
10. Dongbu Incheon Steel Co., Ltd.¹²
11. Dongbu Steel Co., Ltd.¹³
12. KG Dongbu Steel Co., Ltd.
13. Dongbu USA
14. Dong Jin Machinery
15. Dongkuk Industries Co., Ltd.
16. Dongkuk Steel Mill Co., Ltd.
17. Eunsan Shipping and Air Cargo Co., Ltd.
18. Euro Line Global Co., Ltd.
19. GS Global Corp.
20. Hanawell Co., Ltd.
21. Hankum Co., Ltd.
22. Hyosung TNC Corp.
23. Hyuk San Profile Co., Ltd.
24. Hyundai Group
25. Iljin NTS Co., Ltd.
26. Iljin Steel Corp.
27. Jeon Pung Industrial Co., Ltd.
28. JT Solution
29. Kolon Global Corporation
30. Nauri Logistics Co., Ltd.
31. Okaya (Korea) Co., Ltd.
32. PL Special Steel Co., Ltd.
33. POSCO C&C Co., Ltd.
34. POSCO Daewoo Corp.
35. POSCO International Corp. (POSCO International Corporation)
36. Samsung C&T Corp.
37. Samsung STS Co., Ltd.
38. SeAH Steel Corp.
39. SM Automotive Ltd.
40. SK Networks Co., Ltd.
41. Taihan Electric Wire Co., Ltd.
42. TGS Pipe Co., Ltd.
43. TI Automotive Ltd.

¹² While Dongbu Steel Co., Ltd. and Dongbu Incheon Steel Co., Ltd. are non-selected respondents, because each received a calculated rate in the prior review (*i.e.*, *CRS Third Admin Review Final Results*), Commerce has found it appropriate to apply that calculated rate to Dongbu Steel Co., Ltd. and Dongbu Incheon Steel Co., Ltd.

¹³ *Id.*

44. Xeno Energy

45. Young Steel Co., Ltd.

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